

News Release



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Labor Department Announces Final Rules on Notices For COBRA Continuation Health Care Coverage

WASHINGTON—The U. S. Department of Labor today announced final rules implementing the notice requirements under the Consolidated Omnibus Budget Reconciliation Act (COBRA) for employees, employers and plan administrators.

"These rules will make sure workers and their families understand their rights under COBRA and make it easier for employers and plan officials to meet their notice obligations. We want to make sure that individuals do not lose their group health coverage because they lack information about the steps to take to protect those rights. The rules also will reduce the likelihood of costly disputes," said Ann L. Combs, Assistant Secretary of Labor for the Employee Benefits Security Administration (EBSA).

The final rules, which are similar to the rules proposed on May 28, 2003, set minimum standards for the timing and contents of the notices required under COBRA. These rules also provide model notices to be used by group health plans to assist them in satisfying the COBRA notice requirements.

Under COBRA, most group health plans must give employees and their families the opportunity to temporarily continue their group health coverage when coverage would otherwise be lost for reasons such as termination of employment, divorce or death.

In order to give plans enough time to modify their notice procedures, the new rules will be effective the first plan year that begins six months after publication of the rules in the Federal Register. Before that date, plans may rely on either the proposed rules or the final rules (including the model forms as proposed or as finalized) to meet their COBRA notice obligations.

Model notices contained in the regulation will be available for download from EBSA's Web site at www.dol.gov/ebsa. The final regulations are scheduled to be published in the May 26, 2004 *Federal Register* and will be available on EBSA's Web site.

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